

Minimum Teacher Salaries and Shortage Supplement House File 2760

Last Action:

**House Appropriations
Committee**

March 20, 2006

An Act relating to teacher salaries by increasing beginning and career teacher minimum salary levels and creating a teacher shortage salary supplement and making appropriations.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2760
MINIMUM TEACHER SALARIES & SHORTAGE SUPP.**

**STUDENT ACHIEVEMENT AND
TEACHER QUALITY PROGRAM –
SUPPLEMENTAL APPROPRIATION
MINIMUM TEACHER SALARIES**

- Appropriates \$6.4 million from the General Fund to the Department of Education for the Student Achievement and Teacher Quality Program. The funding supplements the annual appropriation included in HF 2527 (FY 2007 Education Appropriations Bill). (Page 1, Line 1)

- Increases the minimum teacher salaries by \$1,000 as follows: (Page 1, Lines 11 through 23)

- Beginning teachers - \$25,500
- First-year career teachers - \$26,500
- Other career teachers - \$27,500

It is anticipated that the statewide increase in salaries as a result of increasing the minimum salaries, including the related employer's share of contributions to Social Security and qualified retirement systems, will be \$2.5 million in FY 2007.

**TEACHER SHORTAGE SALARY
SUPPLEMENT**

- Allocates up to \$3.2 million from the Student Achievement and Teacher Quality Program appropriation to provide a \$1,000 salary supplement for teachers in specified shortage areas. Specifies that school districts will receive funding for the salary supplement and the related employer's share of contributions to Social Security and qualified retirement systems. If the amount allocated is insufficient to fund all school district claims, the payments to school districts will be prorated. (Page 1, Line 24)
- Requires local school districts to pay a \$1,000 salary supplement to each full-time teacher with an endorsement in one of the specified shortage areas that is teaching two or more classes in the shortage area in grades 9 through 12. Specifies the following shortage areas: Mathematics, Biological Science, Chemistry, Earth Science, General Science, Physical Science, and Physics. The supplement is not subject to collective bargaining. Also, specifies that school districts will receive funding for the salary supplement annually, on or about October 15. Requires districts to certify to the Department of Education that funds received for the salary supplement were not used to supplant the salary the district would otherwise pay the teacher. (Page 2, Line 7)

House File 2760 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	11	2	Amends	Sec. 284.7(1)(a)(2), Code Supplement 2005	Minimum Salary for First-Year Beginning Teacher
1	17	3	Amends	Sec. 284.7(1)(b)(2), Code Supplement 2005	Minimum Salaries for First-Year and Second-Year Career Teachers
1	24	4	Adds	Sec. 284.13(1)(bb), Code Supplement 2005	Allocation for Teacher Shortage Salary Supplement
2	7	5	Adds	Sec. 284.14	Findings - Teacher Shortage Salary Supplement

1 1 Section 1. DEPARTMENT OF EDUCATION -- STUDENT ACHIEVEMENT
1 2 AND TEACHER QUALITY SUPPLEMENTAL. There is appropriated from
1 3 the general fund of the state to the department of education
1 4 for the fiscal year beginning July 1, 2006, and ending June
1 5 30, 2007, the following amount, or so much thereof as is
1 6 necessary, to be used for the purposes designated:
1 7 To supplement the student achievement and teacher quality
1 8 appropriation made in 2006 Iowa Acts, House File 2527, if
1 9 enacted:
1 10 \$ 6,400,000

General Fund appropriation to the Department of Education for the Student Achievement and Teacher Quality Program.

DETAIL: This appropriation supplements the annual appropriation included in HF 2527 (FY 2007 Education Appropriations Bill).

1 11 Sec. 2. Section 284.7, subsection 1, paragraph a,
1 12 subparagraph (2), Code Supplement 2005, is amended by striking
1 13 the subparagraph and inserting in lieu thereof the following:
1 14 (2) Beginning July 1, 2006, the minimum salary for a
1 15 beginning teacher shall be twenty-five thousand five hundred
1 16 dollars.

CODE: Specifies the minimum salary for beginning teachers.

DETAIL: Increases the minimum salary for a beginning teacher to \$25,500, an increase of \$1,000. It is anticipated that the statewide increase in salaries as a result of increasing the minimum salary for beginning teachers, including the employer's contributions to Social Security and qualified retirement systems, will be \$2,034,000 in FY 2007.

1 17 Sec. 3. Section 284.7, subsection 1, paragraph b,
1 18 subparagraph (2), Code Supplement 2005, is amended by striking
1 19 the subparagraph and inserting in lieu thereof the following:
1 20 (2) Beginning July 1, 2006, the minimum salary for a
1 21 first-year career teacher shall be twenty-six thousand five
1 22 hundred dollars and the minimum salary for all other career
1 23 teachers shall be twenty-seven thousand five hundred dollars.

CODE: Specifies the minimum salaries for first-year and other career teachers.

DETAIL: Increases the minimum salary for a first-year career teacher to \$26,500, an increase of \$1,000. Increases the minimum salary for other career teachers to \$27,500, an increase of \$1,000. It is anticipated that the statewide increase in salaries as a result of increasing the minimum salaries for career teachers, including the employer's contributions to Social Security and qualified retirement systems, will be \$479,704 in FY 2007.

1 24 Sec. 4. Section 284.13, subsection 1, Code Supplement
1 25 2005, is amended by adding the following new paragraph:
1 26 NEW PARAGRAPH. bb. For the fiscal year beginning July 1,
1 27 2006, and succeeding fiscal years, an amount up to three
1 28 million two hundred thousand dollars to the department of

CODE: Allocates up to \$3,200,000 from the Student Achievement and Teacher Quality Program appropriation for a Teacher Shortage Salary Supplement.

DETAIL: This is a new allocation to provide a \$1,000 salary

1 29 education for distribution to school districts for purposes of
 1 30 the teacher shortage salary supplement set forth in section
 1 31 284.14. A school district shall receive one thousand dollars
 1 32 per teacher who meets the qualifications established pursuant
 1 33 to section 284.14, and an amount sufficient to pay any
 1 34 applicable costs of the employer's share of contributions to
 1 35 federal social security and the Iowa public employees'
 2 1 retirement system or a pension and annuity retirement system
 2 2 established under chapter 294, for such amounts paid by the
 2 3 district. If the funds appropriated for the program are
 2 4 insufficient to pay school districts as provided in this
 2 5 paragraph, the department shall prorate the amount distributed
 2 6 to school districts based upon the amount appropriated.

supplement to teachers in specified shortage areas. School districts will receive funding for the salary supplement, as well as the related employer's share of contributions to Social Security under the Federal Insurance Contributions Act (FICA) and to the Iowa Public Employees' Retirement System (IPERS) or other qualified retirement system.

If the allocation is insufficient to fund all school district claims, the reimbursements to school districts will be prorated.

2 7 Sec. 5. NEW SECTION. 284.14 FINDINGS -- TEACHER SHORTAGE
 2 8 SALARY SUPPLEMENT.

CODE: Establishes a Teacher Shortage Salary Supplement Program and defines the shortage areas to be covered by the Program.

2 9 1. The general assembly finds that Iowa school districts
 2 10 need to be more competitive in recruiting talented
 2 11 professionals into teacher shortage areas. To ensure that
 2 12 school districts in all areas of the state have the ability to
 2 13 attract teachers in low-supply categories and disciplines, it
 2 14 is the intent of the general assembly to encourage school
 2 15 districts to establish teacher compensation opportunities that
 2 16 recognize the need for wage differentials and provide
 2 17 incentives for traditionally hard-to-staff schools and
 2 18 subject-area shortages. This section provides for state
 2 19 assistance to allow school districts to add a market factor to
 2 20 teacher salaries paid by the school districts.

DETAIL: Requires local school districts to pay a \$1,000 salary supplement to each full-time teacher with an endorsement in one of the specified shortage areas that is teaching two or more classes in the shortage area in grades 9 through 12. Specifies the following shortage areas: Mathematics, Biological Science, Chemistry, Earth Science, General Science, Physical Science, and Physics.

State funding for the salary supplement is provided as an allocation from the annual appropriation for the Student Achievement and Teacher Quality Program (see Section 4 of this Bill). School districts will receive funding annually, on or about October 15. The salary supplement is not subject to collective bargaining.

2 21 2. A school district shall be paid annually, from moneys
 2 22 appropriated pursuant to section 284.13, subsection 1,
 2 23 paragraph "bb", the amount of one thousand dollars for each
 2 24 teacher who is employed on a full-time basis under sections
 2 25 279.13 through 279.19 in the school district; who possesses an
 2 26 endorsement issued by the board of educational examiners under
 2 27 chapter 272 authorizing the teacher to provide instruction for
 2 28 grades nine through twelve in mathematics, biological science,

Requires school districts to report annually, by October 1, the number of individuals qualifying for payments. School districts are also required to certify to the Department of Education that funds received for the salary supplement were not used to supplant the salary the district would otherwise pay the teacher.

2 29 chemistry, earth science, general science, physical science,
2 30 or physics; and who is assigned by the school district to
2 31 teach two or more science or mathematics classes in grade
2 32 nine, ten, eleven, or twelve. Notwithstanding chapters 20 and
2 33 279, the school district shall compensate each teacher who
2 34 meets the qualifications established pursuant to this section
2 35 not less than one thousand dollars. By October 1 annually,
3 1 the school district shall notify the department of education
3 2 of the number of individuals who meet the qualifications
3 3 established pursuant to this subsection, and shall submit any
3 4 documentation requested by the department.
3 5 3. The allocation to each school district shall be made in
3 6 one payment on or about October 15 of the fiscal year for
3 7 which the appropriation is made, taking into consideration the
3 8 relative budget and cash position of the state resources.
3 9 Moneys received under this section shall not be commingled
3 10 with state aid payments made under section 257.16 to a school
3 11 district and shall be accounted for by the local school
3 12 district separately from state aid payments. Payments made to
3 13 school districts under this section are miscellaneous income
3 14 for purposes of chapter 257. A school district shall maintain
3 15 a separate listing within its budget for payments received and
3 16 expenditures made pursuant to this section. A school district
3 17 shall certify to the department of education that moneys
3 18 received under this section were used to supplement, not
3 19 supplant, the salary the school district would otherwise pay
3 20 the teacher.

3 21 EXPLANATION

3 22 This bill raises the minimum beginning and career teacher
3 23 salaries under the student achievement and teacher quality
3 24 program and provides an allocation of \$3.2 million from the
3 25 moneys appropriated to the department of education for the
3 26 program for purposes of providing a \$1,000 teacher shortage
3 27 salary supplement for teachers employed by school districts
3 28 who are assigned by the school district to teach two or more

3 29 mathematics and science classes in grade 9, 10, 11, or 12.
3 30 The bill provides a supplemental appropriation of \$6.2 million
3 31 for the 2006-2007 fiscal year from the state general fund to
3 32 the department for the student achievement and teacher quality
3 33 program.
3 34 The bill sets the minimum salary for a beginning teacher at
3 35 \$25,500 per year. The bill also sets the minimum first-year
4 1 career teacher salary at \$26,500, and the minimum salary for
4 2 all other career teachers at \$27,500.
4 3 The bill includes legislative intent language encouraging
4 4 school districts to establish teacher compensation
4 5 opportunities that recognize the need for wage differentials
4 6 and to provide incentives for traditionally hard-to-staff
4 7 schools and subject shortage areas.
4 8 To be eligible for a mathematics and science teacher salary
4 9 supplement, a teacher must hold an endorsement issued by the
4 10 board of educational examiners authorizing the teacher to
4 11 provide instruction in grades 9-12 in mathematics, biological
4 12 science, chemistry, earth science, general science, physical
4 13 science, or physics. To receive moneys for mathematics and
4 14 science teachers, a school district must, by October 1
4 15 annually, notify the department of the number of individuals
4 16 who meet the qualifications established by the bill and submit
4 17 any documentation requested by the department.

4 18 LSB 5501HZ 81

4 19 kh:rj/gg/14

Summary Data

General Fund

H.F. 2760	Actual FY 2005 (1)	Estimated FY 2006 (2)	Gov Recomm FY 2007 (3)	House Approp FY 2007 (4)	House Approp vs Est FY 2006 (5)	Page & Line Number (6)
Education	\$ 0	\$ 0	\$ 0	\$ 6,400,000	\$ 6,400,000	
Grand Total	\$ 0	\$ 0	\$ 0	\$ 6,400,000	\$ 6,400,000	

Education

General Fund

H.F. 2760	Actual FY 2005 (1)	Estimated FY 2006 (2)	Gov Recomm FY 2007 (3)	House Approp FY 2007 (4)	House Approp vs Est FY 2006 (5)	Page & Line Number (6)
<u>Education, Department of</u> Student Achievement Supplement	\$ 0	\$ 0	\$ 0	\$ 6,400,000	\$ 6,400,000	PG 1 LN 1